

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Del Borgsdorf

**SUBJECT: STATUS REPORT ON
GETTING FAMILIES BACK
TO WORK**

DATE: March 2, 2004

RECOMMENDATION

- Acceptance of this status report on Getting Families Back to Work efforts, and acceptance of the "One List" as a tracking method for progress of the City's work related to Getting Families Back to Work directives and the Economic Development Strategy.
- Acceptance of the estimates of the financial impact of the Getting Families Back to Work directives.

BACKGROUND

On September 30, 2003, the City Council adopted a series of directives to staff that resulted from the Getting Families Back to Work study sessions held in August. These directives were contained in a memo from Mayor Ron Gonzales dated September 11, 2003, and a memo signed by Mayor Gonzales and Councilmembers David Cortese, Cindy Chavez, Terry Gregory, and Ken Yeager dated September 30, 2003. Council approved progress reports and further recommendations on November 4 and December 16.

On December 2, 2003, the City Council adopted the Economic Development Strategy, which contains fifteen strategic initiatives designed to achieve an economic vision for San José, the key elements of which include:

- A global gateway
- A creative community
- An entrepreneurial environment
- A tech-savvy city
- A place of opportunity
- World's most livable big city

Nearly all of the Council directives regarding Getting Families Back to Work were encompassed in the Economic Development Strategy. At the December 16 Council meeting, staff was directed to provide a status report on all the initiatives associated with Getting Families Back to Work, and to produce a single list to track the progress of those projects and the tactics included in the Economic Development Strategy.

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ANALYSIS

Included in this memo as Attachment A is the Integrated "One List" tracking system the Council directed staff to produce. The One List provides current status on all initiatives related to Getting Families Back to Work (GFB2W) and the Economic Development Strategy (EDS).

The list is organized based on the fifteen strategic initiatives identified in the Economic Development Strategy. The table for each strategic initiative begins with an Initiative Champion, the key responsible people responsible for its success, and the measures of that success. Council-approved GFB2W directives are listed next, along with the team responsible for accomplishing them and the current status of the City's efforts. The next tasks listed are Economic Projects, the tactics included for that initiative in the EDS.

The strategic initiatives are listed in the order they appear in the EDS, except that the initiatives Council identified as its top four priorities for 2004 are listed first. Progress on these four initiatives is summarized below. The One List details the status of these and all other projects related to the initiatives.

- **Develop strategic partnerships with San José State and other universities to drive innovation and economic impact.**
 - The City and SJSU's bioscience program are collaborating on connections with the new Bioscience Incubator and Innovation Center, which will be complete in July.
 - Opportunities for a major amateur sports facility are being explored.
 - A partnership between the new Artist & Craftsman store in the Fourth Street Garage and SJSU School of Art & Design has been developed.
 - One pre-existing partnership that is not listed on the One List is, of course, the tremendously successful new joint Martin Luther King, Jr. Library.
- **Evolve and position downtown San José as a unique creative and cultural center for Silicon Valley.**
 - Free downtown WiFi internet access will be launched March 11 at key outdoor areas, including Plaza de César Chavez, the Circle of Palms, and San Pedro Square.
 - San José won an international competition to host the International Symposium of Electronic Arts in August 2006.
 - A "One Start" event permitting process has been developed, and is being reviewed with the help of event organizers and other key stakeholders.
- **Support start-up and growth of local businesses, small and large, in tech as well as non-tech fields.**
 - The underwriting criteria for the Revolving Loan Fund and Development Enhancement Special Funds have been liberalized to allow more businesses to receive loans.
 - The Mayor will be visiting venture capital firms on March 30, hosted by Silicon Valley Bank.
 - Work is ongoing on ordinances to modify the industrial land use/building structures tax, institute a local preference policy for City bidding processes, and to provide tax relief for small businesses.

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- **Diversify San José's economic base and preserve/create middle-income jobs.**
 - The Bioscience Incubator and Innovation Center broke ground in December and will be completed in July.
 - Staff is contacting national site selection firms to provide the most up-to-date information about San José's space availability, rental rates, workforce availability, and City initiatives.
 - The Workforce Investment Network is pursuing initiatives related to jobs in health care, the retail industry, software, the hospitality industry, and bioscience.

Excellent progress is being made on other key elements of GFB2W directives and the EDS as well. Some of the key initiatives include:

- **One Start Development Center**

The Center was opened in January 2004, and is providing a central location to bring development-related staff together to serve customers' needs. Some key customers that have taken advantage of the services of the One Start Center include CIM, E-Bay, Hitachi, Kaiser Electronics, the Montgomery Hotel, and the North Park Apartments.

While much work still needs to be done to realize the full potential of the One Start Center, it has already generated positive feedback from development customers for simplifying interactions with the City, speeding up turnaround times, and providing quick and definitive decisions that help developers move their projects along.

- **One Voice Project**

In partnership with the Internet Business Solutions Group, a not-for-profit consulting arm of Cisco Systems, staff has been working to develop an approach to service delivery that would accomplish the goal set out in the Mayor's September 16 GFB2W memo, to "speak with 'one voice' on economic development to deliver a consistent and clear message to the business community."

The project steering committee, consisting of key development staff from City departments and the Redevelopment Agency, along with project management lead Mark Danaj, our Employee Services Director, has developed a vision statement for One Voice:

"Provide seamless and responsive service through partnership, innovation, and technology."

The project then selected five strategic initiatives from the EDS: the Council's top four listed above, and a fifth, "Improve, speed, consistency, and predictability of the development review process, and reduce costs of operating in San José," from which to develop pilot projects. The pilot projects selected are:

- **The One Start Development Center** described above
- **The new SNI Business Plan**, which delineates a joint effort between City staff and the Redevelopment Agency to continue progress on SNI projects and services in a budget environment with significant constraints

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- **Access San José**, an effort to bring City departments, the Redevelopment Agency, and community partners together to encourage the use of downtown as a “virtual convention center”
- **Business Appreciation Initiative**, an effort to engage and support San José companies through improved executive-level relationships
- **Creation of a City-wide Retail Team**, a cross-departmental/Redevelopment Agency team focused on helping the city achieve its retail potential.

All five projects will represent the One Voice way of doing business, with seamless communication and operations, clear roles and responsibilities, and improved accountability, to produce efficient and high-quality service delivery. Over the next year, additional projects will be undertaken, and we expect that the results will support a quick adoption of this approach as the way the City does business. A more detailed presentation of the work of the project will be made to the Making Government Work Better committee on March 10, and to the full Council in a Study Session to be scheduled for late March or early April.

• Legislative Priorities

Through the Driving a Strong Economy Committee, the City has been working with the Silicon Valley Manufacturing Group and the San Jose Silicon Valley Chamber of Commerce to identify legislative advocacy priorities related to the City’s economic competitiveness. The goal of this effort is to identify potential areas for collaborative partnership/advocacy and to develop strategies to pursue a mutual agenda. The table below outlines four general categories for legislative partnership opportunities and key areas of interest for both local businesses and local government:

Legislative Category	Key Legislative Interests*
Legislative Priorities <i>Shared</i> by Business and the City of San Jose	<ul style="list-style-type: none"> ▪ Workers’ Compensation reform ▪ BART and transportation infrastructure funding ▪ Homeland Security funding ▪ Increased job training for high-demand industries and occupations ▪ Oppose permanent takeaway of redevelopment funding
<i>Business Priorities</i> that San Jose Government Could Consider Supporting	<ul style="list-style-type: none"> ▪ Expansion of R&D tax credit to federal rate ▪ Restoration of manufacturers investment tax credit ▪ Statewide comprehensive energy plan ▪ Affirmative legislation for nonprofit associations to provide health care for small businesses ▪ Legislation supporting economic recovery
<i>Local Government Priorities</i> that Business Could Support	<ul style="list-style-type: none"> ▪ Fiscal reform to protect local revenue sources and better align State expenditures with resources
Priorities where Alignment is Unlikely	<ul style="list-style-type: none"> ▪ Support rescinding mandated health care requirement for companies with 50 workers ▪ Oppose split roll property tax ▪ Oppose taxation of sales over the internet ▪ Oppose advanced disposal fee or taxes on high-tech products

**Items listed do not reflect a complete list, but provide examples of the type of legislation under each category. In some cases, there are different levels of priority applied by business and local government.*

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The One List will continue to be used as a tracking tool for all GFB2W and EDS initiatives. Staff will keep it current, and will use it for further progress reports to the Mayor and Council.

PUBLIC OUTREACH

Various individual items involve public outreach, which has been described in the One List status updates.

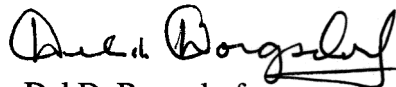
FISCAL IMPLICATIONS

Attachment B complies with the Council's direction to review the financial ramifications of the GFB2W directives. Council directed staff to list each directive with financial implications, provide the original cost estimate, any changes to the cost since the estimates provided at the time the items were approved, and an "educated financial forecast" of the five-year cost implications of the item.

The chart provides each of these estimates (or actual costs where the item has been completed) for each initiative with cost implications. It is organized using the One List numbering system for each item.

COORDINATION

Most City departments and the Redevelopment Agency have been involved in providing information to be included in this memo.



Del D. Borgsdorf
City Manager

INTEGRATED "ONE LIST" TRACKING SYSTEM

Economic Development Strategy and "Getting Families Back to Work" Projects

March 2, 2004

Strategic Initiative #1:			
Build a World-Class Airport Facility and Air Services			
Initiative Champion: Ralph Tonseth			
Measures: % of customers able to reach desired destinations from SJC, % of regional air service market share. (from Aviation CSA Outcome #1: Airport is Region's First Choice)			
Implementation Actions			
I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
1.1	Reduce commercial aircraft landing fees at the Norman Y. Mineta San Jose International Airport. (source: 9/19/03 CM Info Memo)	Airport (Ralph Tonseth, Terri Gomes)	Complete. Effective October 1, 2003, the Airport reduced the commercial aircraft landing fee from \$1.51 to \$1.34 per thousand pounds of maximum gross landed weight. Estimates show that this will reduce airlines' costs by roughly \$1.5 million over the next year.
1.2	Meet with airline executives to discuss their needs at our airport and develop a strategy to meet those needs. (source: 9/16/03)	Airport/Mayor, OED (Ralph Tonseth, Jim Peterson)	Ongoing.
II.	Economic Projects	Lead/Team	Progress Milestones
Ongoing Jan - June '04			
1.3	Develop international flights to Asian and European gateway cities.	Airport/OED (Jim Peterson/Ralph Tonseth, Paul Krukko, John Lang, Kim Walesh)	Ongoing. In conversation with three carriers.
1.4	Increase the City's understanding of the air-service needs of San Jose's Driving Industries.	Airport/OED (Jim Peterson/Kim Walesh)	Compiling results of business passenger survey.
1.5	Design the North Concourse (to implement the Airport Masterplan).	Airport/PW DOT (Dave Maas, Tom Fletcher, Jim Helmer)	Design expected to be reviewed with Council in March/April of 2004.
1.6	Extend runway 30 left (to implement the Airport Masterplan).	Airport/PW (Dave Maas/Tom Fletcher)	Council contract awarded February 3, 2004. Work will be complete in September, 2004.
1.7	Continue construction projects that improve access into and out of the airport.	DOT/Airport, PW, Caltrans, VTA (Hans Larsen/Ray Salvano, Jim Helmer, Dave Maas, Frank Kirkbride, Steve Wilson)	1) Coordinating with Caltrans, construction work continues to complete the Route 87 freeway from Julian Street to Route 101, including the 87/Skyport interchange. Project is scheduled for completion in mid-2005. 2) Coordinating with VTA to improve the 880/Coleman interchange. Project is scheduled to start construction in April 2004 and be complete in mid-2006. 3) Improvements have been made to Airport Blvd. at the Airport Parkway entrance to improve flow through this intersection, and to allow for improved flow during increased security levels.
1.8	Accommodate corporate needs for owned, leased, or fractional shares of corporate jets.	Airport (Ralph Tonseth)	Facilitating the expansion of San Jose Jet Center, and the relocation and expansion of ACM aviation. Construction has begun on a third new Fix Base Operator facility for corporate aircraft: AVBASE Aviation.

Build a World-Class Airport Facility and Air Services

Implementation Actions

II.	Continued -Economic Projects	Lead/Team	Progress Milestones
1.9	Maintain a diverse base of air carriers.	Airport (Ralph Tonseth)	Ongoing: Monitor market conditions. Maintain contact with domestic and international airlines for new business opportunities. Provide support to incumbent carriers.
1.10	Develop a public art masterplan that enables the airport facility to reflect San Jose's vision and distinct characteristics (e.g. global gateway, innovation center), and make a powerful first impression.	CAE/Airport (Mary Rubin, Dave Maas)	In January, convened Airport Master Plan Steering Committee and 3-day charrette with artists.

Strategic Initiative #2: Forge Connections to Innovation Regions Globally for Mutual Economic Benefit			
Initiative Champion: Joe Hedges			
Measures: Foreign investment in San Jose, and associated jobs; international flights, visitors, and exports; increased visibility and stature of San Jose among business and opinion leaders internationally. (new measures)			
Implementation Actions			
I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
	No specific GFB2W Directives for this Strategic Initiative		
II.	Economic Projects	Lead/Team	Progress Milestones
Ongoing Jan - June '04			
2.1	Leverage current Sister City relationships for economic benefit where appropriate (Initial focus: Dublin, Pune)	OED (Joe Hedges)	Preparing for the March 2004 visit of the Dublin Lord Mayor and Sister City delegation.
2.2	Implement established relationships with innovation regions (focus: Ottawa, Cambridge, Finland)	OED (Joe Hedges)	In regular communication with officials in Cambridge and Finland.
2.3	Develop new relationships with innovation regions where San Jose companies have strong presence or where San Jose people have strong relationships.	OED (Joe Hedges/Kim Walesh)	Are identifying key regions San Jose should have economic relationships with, including Bangalore and/or Hyderabad, Taipei/Hsinchu, Shanghai/Pudong.
2.4	Seek advice from local businesses with global operations about how City leaders can support international businesses, including the strategic use of regional relationships and trade missions.	OED (Joe Hedges/Kim Walesh)	In conversation with local technology companies about how San Jose's international relationships and activities could benefit them.
2.5	Reacting to opportunities, attract offices of foreign companies that want a Silicon Valley or Bay Area presence.	OED/RDA (Joe Hedges, Ru Weerakoon)	Are developing an international marketing strategy in coordination with the International Business Incubator and Bioscience Incubator by July 04. Will have presence at Bio '04 Conference in San Francisco in June.
2.6	Build San Jose's visibility and relationships with ethnic technology/entrepreneur associations in Silicon Valley. Encourage relationship building across ethnic and cultural groups.	OED (Joe Hedges, Kim Walesh)	Have identified the major ethnic technology/entrepreneur associations. Participating in Joint Venture Silicon Valley's network of ethnic associations.
2.7	Market the Bioscience Incubator and Innovation Center to attract foreign companies seeking a Bay Area presence.	RDA/OED (Ru Weerakoon/Joe Hedges)	Retain consultant by April 2004 to promote incubator to international attendees at the BIO 2004 Conference, and promote the incubator in the international arena over the next 18 months. Developing plan to outreach to the bioscience industry/companies.
2.8	Help establish more foreign business incubators and government trade and investment offices in San Jose.	OED (Joe Hedges)	Ongoing communication with government trade/investment offices in San Jose and marketing San Jose as a location in meetings with visiting foreign delegations.
Proposed Start in 04-05			
2.9	Host Diplomatic Dinner with the diplomatic corps of Asian and European countries, local ethnic technology/entrepreneur associations, and San Jose Silicon Valley businesses to strengthen relationships and position San Jose as the global gateway of Silicon Valley.	OED (Joe Hedges/Kim Walesh)	Exploring opportunity to hold this event to strengthen relationships and San Jose's visibility.

Develop Strategic Partnerships with San Jose State and Other Universities to Drive Innovation and Economic Impact

Initiative Champion: Jim Holgersson, Kim Walesh

Measures: new/rehabilitated retail space in downtown areas, jobs generated through new construction projects and leasing of existing space, increase in sales tax from businesses receiving assistance from the City. (from END CSA Outcome 1: Strong Economic Base)

Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
3.1	Strengthen our relationship with San Jose State University's academic programs that produce employees for growing industries and occupations. (source: 9/16/03, Mayor Gonzales memo)	OED/SVWIN, RDA (Kim Walesh/Jeff Ruster, Ru Weerakoon)	SVWIN is partnering with SJSU to understand and support hospitality industry hiring plans, training needs, and career path opportunities. RDA is collaborating with SJSU on bioscience education related to the new Bioscience Incubator and Innovation Center.
3.2	Explore partnership opportunities with SJSU for a multiuse sports venue on the South Campus that could serve students and residents, as well as meet needs of amateur and professional sports teams. (Bring back to City Council a report offering possible partnership opportunities with SJSU and our amateur sports teams on or before December 16, 2003. Provide status in 2004.) (source: 9/30/03, Mayor Gonzales memo)	CMO/OED, RDA, PRNS DOT (Jim Holgersson, Paul Krutko, Jim Orbal, John Weis, Sara Hensley)	An interdepartmental team and meetings with SJSU have begun a process for exploring the opportunities of a major amateur sports facility. Both San Jose State and PRNS programming are being considered. O&M, programming and capital funding will be based on existing funding and cost recovery to the extent possible.
3.3	Strengthen our relationship with regional universities. (source: 9/16/03, Mayor Gonzales memo)	OED/Mayor's Office (Kim Walesh/Jennifer Malutta)	Recommend that the priority for the next 18 months be stronger, focused collaboration with San Jose State University. Recommend that the City work with other regional universities in an opportunistic manner (e.g., successful collaboration with Bay Area Universities to win the International Symposium of Electronic Arts) and that City participate in regional community college alliances for workforce training as appropriate.
II.	Economic Projects	Lead/Team	Progress Milestones
3.4	Convene retreat of senior professional leadership of SJSU and the City to identify high-priority projects for collaboration. Share recommendations with Mayor, Council, and SJSU President for review and approval.	CMO-OED/RDA, DOT, PRNS (Jim Holgersson-Kim Walesh/Del Borgsdorf, Paul Krutko, John Weis, Jim Helmer, Sara Hensley)	Planning to conduct a work session in March of senior staff from SJSU and City of San Jose to scope out areas for collaboration in 2004-2005. Recommended areas for collaboration will be brought back to Mayor, Council, and University President for review.
3.5	Work with SJSU to identify Downtown sites for University-related activities that would benefit from public involvement, especially those related to art, design, and culinary arts.	RDA/OED, DOT (Bill Ekern/Kim Walesh, Abi Maghamfar)	Will confirm viability of this idea in work session identified in 3.4 above.
3.6	Partner San Jose's Bioscience Incubator and Innovation Center with SJSU's Biotechnology training initiative to expand San Jose's bioscience workforce, training opportunities and lab capacity.	RDA (Ru Weerakoon)	Several partnership opportunities are in consideration. Funding at SJSU will determine which projects move forward. At a minimum, SJSU will provide training to incubator start-up firms. Agency consultant will develop a training needs analysis in April 2004 which will be the basis of the development of a 12-month training program.



Develop Strategic Partnerships with San Jose State and Other Universities to Drive Innovation and Economic Impact

Implementation Actions

II.	Continued - Economic Projects	Lead/Team	Progress Milestones
3.7	With SJSU and other partners, work to make Downtown more "hip" and attractive to the young University population, including the future on-campus residents.	RDA (Sharon Landers, Kelly Kline, Jim Schutz)	Sought out a retail tenant that would meet SJSU students' needs. Introduced owner of Artist & Craftsman to SJSU's School of Art & Design department heads. Now professors send the supply list to A&C so that the store can have requested materials in stock. A&C has established a community bulletin board which is most frequently used by students.
3.8	Help market the capabilities of SJSU's Entrepreneurship Center and Northern California SBDC Lead Center through San Jose's Entrepreneur Center and other mechanisms.	RDA/OED (John Weis/Richard Keit, Kim Walesh)	Contract with SJSU for \$200,000 being prepared for joint Board/Council action. SBDC has selected SJSU for their Northern California center.
3.9	Explore opportunities for university/city partnerships in Building Strong Neighborhoods. A special interest is SNI outcomes/performance assessment.	CMO/RDA, PRNS (Jim Holgersson/John Weis, Kip Harkness, Cynthia Bojorquez)	Will confirm opportunities in March work session (see tactic 3.4 above)

Evolve and Position Downtown San Jose As A Unique Creative & Cultural Center For Silicon Valley

Initiative Champions: Harry Mavrogenes, Kim Walesh

Measures: new/rehabilitated retail space Downtown, jobs generated through new construction projects and leasing of existing space Downtown, increase in sales tax from Downtown businesses receiving assistance from the City, convention delegate spending (from END CSA Outcome 1: Strong Economic Base); economic impact from arts and cultural visitors (new measure)

Implementation Actions

I.		GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
4.1	Create flexible pricing for the Convention Center. (source: 9/19/03 Del Borgsdorf memo - Just Did It #1)		CAE (Jim McBride)	Complete. The new fee structure is more responsive to the business community, specifically to event promoters from out of town, and allows the facilities to be more competitive in this highly competitive convention market.
4.2	Streamline special event permit requirements and process. (source: 9/16/03 Mayor Gonzales memo-Section I-12)		PRNS/RDA, DOT, Police, CAE/OCA, CAO, Finance, Planning	Completed a new draft "One Start Event Application." Identified ways to reduce or eliminate delays in invoicing.
II.		Economic Projects	Lead/Team	Progress Milestones
4.3	Expand the Convention Center and upgrade its quality to increase its capabilities as a world-class meeting place.		CMO/OED, Con Vis (Mark Linder/Paul Krutko, Dan Fenton)	Propose doubling the size of the Convention Center by building a temporary structure.
4.4	Collaborate across departments and community partners to quickly and flexibly encourage use of Downtown San Jose as a large "virtual convention center." (This project, "Access San Jose," is a One-Voice project.)		OED/CAE, ConVis, DOT, RDA, PBCE, Public Safety (Paul Krutko/Jim McBride, Dan Fenton, Jim Helmer, Jim Schutz, Joe Horwedel, Scott Knies)	Business plan and first draft of operation manual completed. Regulatory review is underway.
4.5	Help enable the scaling up of existing museums from mid-tier to big-city size, facilitating private and philanthropic dollars, in order to attract more local, regional, and national visitors.		RDA/OED, DOT, Art Museum, Tech Museum (Sharon Landers/Bill Ekern, David Nieh, Kim Walesh, Jim Helmer, Dan Keegan, Peter Giles)	Initial projects: create SJMA affiliate "International Center for Art and Technology" in old MLK library, identify sites for long-term vision of expanded SJMA, explore ways to use Parkside Hall for occasional blockbuster Tech Museum Exhibits with high economic impact.
4.6	Help facilitate the addition of new cultural, entertainment, and athletic attractions Downtown.		RDA (Bill Ekern, Jim Schutz, Ruth Shikada)	December 2003: Dimensions site RFP released--specifically asks for consideration of performance theatre in proposals. Opportunity for new Downtown Music Hall being evaluated by CMO and RDA.
4.7	Help facilitate the creation of permanent homes for existing arts institutions, and the retention and expansion of existing "boutique-sized" arts spaces.		RDA (Bill Ekern, Jim Schutz, Ruth Shikada)	Helped facilitate creation of permanent, expanded home for the Quilt Museum on South First Street. Are helping to facilitate permanent home for the Institute of Contemporary Art.

CITY COUNCIL "TOP 4" PRIORITY FOR 2004

Evolve and Position Downtown San Jose As A Unique Creative & Cultural Center For Silicon Valley

Strategic Initiative #4: (cont)

Implementation Actions

II.	Continued-Economic Projects	Lead/Team	Progress Milestones
4.8	Host an international-caliber Art and Technology Festival every two years, beginning in Summer of 2006.	OED/CAE (Kim Walesh/Jerry Allen, Jim McBride)	In December 2005, won the international competition to host the International Symposium of Electronic Arts (ISEA) in August of 2006--involved collaboration with SJSU and other Bay Area institutions. Engaged internationally renowned new media curator Steve Dietz to serve as Director of the ISEA and San Jose Art and Technology Festival.
4.9	Promote Downtown as an entrepreneurial hotspot with rich amenities for and resources for companies in the "start-up" (1 to 10 employees) and "grow-up" (10-100 employees) phases of development.	RDA/OED (Sharon Landers, Kim Walesh/Jim Schutz, Ruth Shikada, Ru Weerakoon, Alison Novak, Nanci Klein)	Office Opportunities E-letter sent to venture capitalists and tech start-ups featuring available spaces, as well as information on Downtown's amenities & quality of life. Identified presence of 100 small tech companies in the Downtown. Next steps: developing information materials that position Downtown as creative center where entrepreneurship, arts/entertainment, restaurants/retail, and education uniquely come together; identifying potential incentives; and outreach to property owners and brokers.
4.10	Retain and attract business, professional, and creative services companies Downtown.	RDA (Jim Schutz/Ruth Shikada, Ru Weerakoon)	Conducted interviews with existing companies to understand their perception of positives & negatives. Developed list of residential neighborhoods and associated schools, as well as a list of yoga studios and employee amenities near Downtown in response to specific employer questions.
4.11	Use incentive funds to encourage investment in unreinforced masonry buildings on key blocks in the Downtown Core.	RDA (Bill Ekern/Jim Schutz, Ruth Shikada)	Program launched in January 2004.
4.12	Showcase ethnic cuisine from throughout San Jose/Silicon Valley in Downtown.	RDA (Kelly Kline)	2003: Executed leases with diverse restaurant tenants from other neighborhoods in San Jose, such as Lee's Sandwiches (Vietnamese sandwiches) and Bijan Bakery (bakery-French trained chefs).
4.13	Nurture locally owned businesses that bring day and night vibrancy to Downtown streets, including restaurants, cafes, art galleries, clubs/music venues, and businesses serving university students.	RDA (Jim Schutz/Ruth Shikada, Kelly Kline, Alison Novak, Edith Ramirez)	Examples of recent leases with locals in which RDA played a role: Back Bar, Circle-A, Hijinx Comics, Giza Hookah Lounge, News Stand Convention Center, Zoe, Bijan Bakery. Strategy includes both recruitment (collecting various business district directories for mailing lists (165 in list), visiting business districts (for ideas/contacts), and retention (helping existing retailers make new connections for joint marketing purposes, look for expansion sites, etc.).
4.14	Implement the plan for the SOFA creative district and for the Spartan Keyes artist-housing complex.	RDA/Housing (Mike Meyer, Leslye Corsiglia/Kip Harkness, Jim Schutz)	The Housing Department has evaluated the financial feasibility of a new artist live/work building, consistent with the Martha Gardens specific plan adopted by the City Council in December 2003, and expects to receive an application for funding for the project in March 2004.
4.15	Offer free WiFi service outdoors in Downtown. Develop a page for users that helps people connect intuitively to the major Web sites highlighting activities, events, and resources Downtown.	OED/RDA, Con Vis, (Kim Walesh/Peggy Flynn, Sharon Landers, Alison Novak, Paul Asper, Dan Fenton, Lupe Sanchez)	Launch event planned for March 11, 2004. Service created through corporate partnership with Cisco Systems and GNI, a Downtown startup.

Evolve and Position Downtown San Jose As A Unique Creative & Cultural Center For Silicon Valley

Implementation Actions

II.	Continued-Economic Projects	Lead/Team	Progress Milestones
4.16	Continue efforts of the Downtown Marketing Collaborative to measure quantitative impact of event marketing, extend marketing messages throughout the network in cost-effective manner, and ensure consistency of overall Downtown marketing message.	OED/RDA, Con Vis, Downtown Assn (Kim Walesh/Peggy Flynn, Stacey Manley, Kelly Kline, Sharon Landers, Alison Novak, Paul Asper, Dan Fenton, Meli James)	Developed method for extending the "Downtown for the Holidays" marketing message across multiple organizations. Conducted quantitative survey of visitors to "Downtown for the Holidays" events to determine effect of marketing efforts.

Initiative Champions: Paul Krutko, John Weis

Measures: jobs generated through new construction projects and leasing of existing space, new/rehabilitated retail space in downtown areas, increase in sales tax from businesses receiving assistance from the City, funding made available to small businesses. (from END CSA Outcome 1: Strong Economic Base)

Implementation Actions

5.1	Engage venture capital community to promote San Jose's advantages as a location for start-ups. (source: 9/16/03)	Jennifer Malutta/Ru Weerakoon, Nanci Klein, Allison Novak, Sharon Landers, Jim Schutz, Ruth Shikada)	Bank. The approach is to increase San Jose's cachet with the venture-capital community and entrepreneurs as an attractive home for companies in the start-up (1 to 10 employees) and the "grow-up" (10 to 100) phases of development. Develop and promote a set of attributes attractive to these firms, especially in the Downtown.
5.2	Liberalize underwriting criteria for the Revolving Loan Fund (RLF) and Development Enhancement Special Funds (DESF) to make more loans available. (source: 9/19/03 Del Borgsdorf memo - Just Do It #5)	OED (Paul Krutko, Juan Vigil, Chris Coggins)	Completed.
5.3	Explore creation of a local preference policy to support local businesses. (source: 9/16/03, CAO given further direction on 12/16/03)	CAO/OED, PW, GSA, Finance (Rick Doyle, Brian Doyle/Paul Krutko, Dhez Woodworth, Katy Allen, Dave Clarke, Jose Obregon, John Alden, Mark Burton, Andy Heath)	On 11/4/03 City Council directed staff to examine the appropriate percentage for a preference and referred the issue to the Small Business Development Commission for review and comment. In November, 2003 the Small Business Commission reviewed the Council report. On 2/4/04, Development Cabinet reviewed the local preference options.
5.4	Implement tax relief to encourage investment in San Jose. Modify Industrial Land Use/Building & Structures Tax. (source: 12/16/03 (CAO directed to draft amendments to Bldg & Structures Constr. Tax-Ord. Pending))	OED/PBCE, CAO (Nanci Klein/Stephen Haase, Larry Wang, Brian Doyle)	Ordinance is being drafted to be heard by Council for first reading in March.
5.5	Provide a list of current regulations that may hinder business development or operations in San Jose, and criteria used to develop the list. (source: 9/30/03, final approval of criteria used to develop list was on 12/16/03)	PBCE/OED (Joe Horwedel/Nanci Klein, Paul Krutko)	Complete. List provided in staff's November 4, 2003 report and further discussed in December 16, 2003 report.
5.6	Report on progress revising regulations that may hinder business development or operations in March, 2004. (source: 11/4/03)	PBCE/OED (Joe Horwedel/Nanci Klein, Paul Krutko)	Criteria used to develop list was provided in the December 16th staff report. City Council has already enacted regulatory changes to streamline signs in business areas. Several Zoning Code changes to streamline the development review process will be coming forward to Council in February and March 2004.
5.7	Mayor and Council to facilitate stakeholder discussions regarding proposed Community Benefit Assessments and Community Impact Reports. (source: 9-16 Gonzales memo (Section I-1))	Mayor/CMO/Designated Council	This item has been referred to a task force not yet convened.
5.8	Initiate a Countywide conceptual agreement pledging support for a collaborative job retention strategy. (source: 9/30/03)	CMO/Designated Council (Council Member Cortese/Mark Linder)	Status report provided in December 16, 2003 report. Scoping work continues.
5.9	Encourage tax relief for small businesses (less than 3,000 sq. ft.) with both an emphasis on Downtown and NBDs. (source: 12/16/03 (staff directed to implement for 18 mos. suspension of Construction Excise Tax by 50%)) (source: 9/16/03 Mayor Gonzales memo - Section I-5C)	OED/PBCE, CAO (Nanci Klein/Stephen Haase, Larry Wang, Brian Doyle)	Attorney's office is engaged with OED to write the draft ordinance. Anticipated to be heard by Council by the end of March.

Support Start-Up and Growth of Local Businesses, Small and Large, in Tech as well as Non-tech Fields

Implementation Actions

II.	Continued - Economic Projects	Lead/Team	Progress Milestones
5.10	Investigate the use of multiple-prime contracting as a means to provide local, small business incentives for contractors, consultants, or vendors. (source: 9/30/03, staff provided review of referral on 11/4/03-no further Council action)	PW/GS (Katy Allen, Dave Sykes, Jose Obregon)	Complete.
5.11	Launch the Business Appreciation Initiative to ensure that the City has senior-level relationships with key companies to make companies feel welcome, connected, and appreciated and encourage retention and expansion. <i>(This project is a "One Voice" project.)</i> (Cross-listed with Strategic Initiative #15.)	OED/RDA, Mayor, PBCE, Airport, Public Works, Transportation, Housing (Kim Walesh, Sharon Landers/ Paul Krutko, Nanci Klein, Chris Coggins, Harry Mavrogenes, John Weis, Ru Weerakoon, Jim Schutz, Ruth Shikada, Jennifer Malutta, Ralph Tonseth, Katy Allen, Timm Borden, Jim Helmer, Leslye Corsiglia)	Developed Business Plan. Completed research to identify the "key account" companies.
5.12	Increase access to City contracting and purchasing opportunities through improvements to communication and the procurement process.	PW/OED, GSA, RDA (Katy Allen/Paul Krutko, Dhez Woodworth, Jose Obregon, Bill Ekern)	Outreach and process improvement efforts continue. Implementation of the tracking system is underway.
5.13	Increase access of small businesses to the Entrepreneur Center resources.	John Weis, Kim Walesh, Nanci Klein	Discussions held with E-Center to create space for NBD Associations. SJSU/SBDC to locate in E-Center.
5.14	Aggressively promote use of Enterprise Zone Tax Credits (set to expire in 2006) as a tool for reducing business operating costs.	OED/RDA (Yolanda Lee/Ru Weerakoon)	Have increased marketing and business outreach, including working with SJSV Chamber, small business chambers, Silicon Valley Workforce Investment Network, and other business associations. Over 47 businesses have received tax credit assistance since January.
5.15	Develop a strategy to increase private investment in businesses and real estate located in disadvantaged San Jose neighborhoods.	SVWIN (Jeff Ruster)	Developed request for proposal to create a Community Venture Capital Fund. Agency has sponsored work to establish Lenders for Community Development as local entity for new Tax Credit Program. Agency staff is serving on Board.

Improve Speed, Consistency, and Predictability of the Development Review Process, and Reduce Costs of Operating in San Jose

Initiative Champion: Joe Horwedel

Measures: % of development participants rating service as good or better, % of projects that receive thorough, complete, consistent review in the first cycle of staff review; ratio of current year fee revenue to fee program cost; performance on selected development processing time targets. (from END CSA Outcome 3: Safe, Healthy, Attractive, and Vital Community)

Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
6.1	Modify the Zoning Code to consolidate and streamline development processes, including clarifying that consolidated approvals of PD Zoning and PD Permits by the Council is permissible. Modify the Zoning Code to clarify that consolidated approvals of zonings and permits by the Council is permissible. (source: 9-16 Gonzales memo (section 111-1))	PBCE/CAO (Joe Horwedel, Laurel Prevetti, Renee Gurza)	Complete. Council approved on 2/19/04.
6.2	Extend the Special Tenant Improvement fee exemption for another 18 months, from November of 2003 through April 2005. Expand the Special Tenant Improvement Program to office uses Downtown. Provide a list of "Driving Industries." (source: 9/16/03 Mayor Gonzales memo - Section I-5A)	OED/RDA, PBCE (Nanci Klein/Allen Lang, Joe Horwedel)	Complete. Council/Board approved action in December 2003.
6.3	Expand Project Manager lead/team service delivery format to include Building Permit processing. (source: 9/19/03 CM Info Memo)	PBCA/RDA	Additional positions to provide project management services were approved as part of the mid-year budget adjustment. These positions will serve customers in the Downtown redevelopment area and projects that pay for expedited service.
6.4	Create a "One Start" Development Center where anyone needing to do business with the City can find assistance at a single customer service function. (This project is a "One Voice" project.) (source: 9/16/03)	PBCE/PW, OED, RDA (Stephen Haase/Joe Horwedel, Harry Freitas, Nanci Klein, Scott Troyer)	Launch complete; the Center was opened in January 2004. Have drafted Business Plan for expanded application of "One Start" concept.
6.5	Eliminate delays in the development review process. Refund permit fees when City staff review exceeds cumulative review cycle targets. (source: 9/16/03 Mayor Gonzales memo - Section I-4)	PBCE (Joe Horwedel)	Complete for expedited services.
6.6	Integrate the permitting process of the RDA into the Planning Department. (source: 9/16/03 Mayor Gonzales memo - section I-6A)	PBCE, RDA (Stephen Haase, Joe Horwedel, Scott Troyer, Irwin Kaplan)	Complete. Permit authority transferred to the City effective January 16, 2004.
6.7	Expand or modify the hours that City Hall is open to serve businesses to improve the convenience and accessibility of doing business in San Jose. (source: 9/16/03 Mayor Gonzales memo - Section I-6C)	PBCE (Scott Troyer)	Complete. A pilot program to provide enhanced hours of operation was begun in February, 2004. The pilot offers early morning hours Monday through Wednesday, and evening hours on Tuesday.
6.8	Simplify the historic review process and clarify historic resource review procedures. (source: 9/16/03 Mayor Gonzales memo - Section II-2)	PBCE (Courtney Damkroger)	Complete.
6.9	Examine ways to eliminate or consolidate steps to streamline the Development Process. Move decisions to the lowest practical level in the City. (source: 9/16/03 Mayor Gonzales memo - Section I-3)	PBCE (Stephen Haase, Joe Horwedel)	Ongoing. Four items to streamline City processes and move decision-making to the lowest practical level approved by City Council on February 17, 2004.

Improve Speed, Consistency, and Predictability of the Development Review Process, and Reduce Costs of Operating in San Jose

Implementation Actions

I.	Continued - GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
6.10	Create design guidelines for the Downtown Core focused on the main design issues that set clear expectations for building density to improve predictability for developers and increase processing speeds. (source: 9/30/03, further action directed on 11/4/03)	RDA/PBCE (Harry Mavrogenes/Stephen Haase, Joe Horwedel, David Nieh, Dennis Korabiak)	Ongoing. Scheduled for City Council action on March 16, 2004 along with the Downtown Zoning Ordinance and respective rezoning.
6.11	Speak with "One Voice" by focusing City service areas, City departments, and the Redevelopment Agency into clusters of resources and workgroups with common purposes. (source: 9/30/03 memo, further direction provided on 11/4/03. Schedule was provided on 12/16/03)	CMO (Del Borgsdorf, Mark Danaj, Paul Krutko, Harry Mavrogenes, Leslye Corsiglia, Patricia Deignan, Peter Penfield)	Thirty stakeholder interviews completed. One Voice vision statement created. Five initiatives from the Economic Development Strategy selected as pilot projects: "One Start" Development Center, Access San Jose, Business Appreciation Initiative, One Retail Team, and new SNI Business Plan. Business plans have been drafted for each project.
6.12	Amend performance measures to include the number of applications and the time required to process applications. (source: 9/30/03)	PBCE/END CSA	Complete
II.	Economic Projects	Lead/Team	Progress Milestones
Ongoing Jan - Jun '04			
6.13	Complete the "Guide to Land Use Planning and Development" to explain the process to residents, small business/property owners, and other lay people. Include translation into Vietnamese and Spanish.	PBCE (Laurel Prevetti)	Underway. Completion expected by end of FY 03/04.
6.14	Help companies access resources for energy efficiency, recycled water, and green building design to help reduce energy, water and operating costs.	ESD (Mary Tucker/Carl Mosher)	Securing financial assistance from the California Public Utilities Commission to offer increased rebates on energy efficient products (e.g., lighting) for small businesses.
Proposed Start in 04-05 (pending budget)			
6.15	Conduct historic resource inventory surveys to identify San Jose's historic resources up front.	PBCE (Joe Horwedel, Courtney Damkroger)	Previously funded survey work is proceeding. No new survey areas are proposed at this time due to lack of City or RDA funding. Training for community based survey work will be studied for viability following adoption of Conservation Area designation process by Council in Spring 04.

Make San Jose A Tech-Savvy City; Lead the Way in Using Technology to Improve Daily Life

Initiative Champion: Mark Linder

Measures: 100% of San Jose geography has access to broadband service (DSL, high-speed cable and/or wireless); San Jose's rank among peer cities nationally in use of technology to modernize government and engage community (new measures).

Implementation Actions

I.		GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
7.1	Identify geographic service gaps in DSL and/or high-speed cable access in San Jose and work to achieve 100% service coverage within 12 months. (source: 9/19/03 Del Borsdorf memo - Just Do It #7, reacting to 9/16/03 Gonzales memo - Section I-9A, second #9)		DPW/IT, CMO (Timm Borden, Tom Manheim, Bill Hughes)	Comcast indicates it is working aggressively to complete its rebuild of the cable system by the end of 2004 or early 2005. At that time, the system should be able to provide broadband services to 100% of residential areas in San Jose. SBC DSL service will remain at approximately 90% for the near term due to SBC's current business plan not including these vault upgrades.
7.2	Issue an RFP for wireless service providers to locate their equipment anywhere on City property or equipment. (source: 9/16/03, Suppl. Memo issued on 12/16/03) Staff recommended first action: Develop a strategy to encourage widespread availability of wireless services across San Jose.		CMO, DPW, IT, Airport, OED, CAE, GSD (Mark Linder, Timm Borden, Katy Allen, Neil Stone, Wandzia Grycz, Ralph Tonseth, Kim Walesh, Steve Turner, Jerry Witherspoon, Marty Torres, Vijay Sammela, David Bevens, Jose Obregon)	Staff has identified the need for San Jose to develop a strategy to encourage wireless services across the community, in coordination with the Airport and Convention Center. An outcome of this strategy could be the issuance of an RFP. (Note: this wireless strategy is complementary to, but different from, a wireless strategy for Civic Center and the City's other buildings and operations.)
II.		Economic Projects	Lead/Team	Progress Milestones
Ongoing Jan - Jun '04				
7.3	For the new Civic Center, plan and implement enhanced IT/Communications services to support more efficient and effective government service delivery and communication with the public, including wireless capacity and enhanced web services. Implement this through partnership with the private sector.		IT/DPW, CMO, DOT, (Wandzia Grycz, Steve Turner, Leon Nix, Marty Torres, Joe Cheng, Wendy Walker, Rich Bertalan/Ed Shikada, Terry Roberts/ Lily Lim-Tsao, Ken Salvati)	City Council approved the NCC technology program on 2/3/04. RFP's are being prepared for the Network and Voice Services; Servers; Enterprise Storage Solution. Final cabling specifications are being reviewed.
7.4	Offer free WiFi service outdoors in Downtown, being among the first large metropolitan areas to do so. (source: Mayor's June 2003 Budget Message) (cross-listed with Strategic Initiative #4)		OED/IRDA, Con Vis, IT, (Kim Walesh/Peggy Flynn, Sharon Landers, Alison Novak, Paul Asper, Dan Fenton, Lupe Sanchez, Robert York, Steve Turner)	Launch event planned for March 11, 2004. Service created through corporate partnership with Cisco Systems and GNI, a Downtown startup.
Proposed Start in 04-05 (pending budget)				
7.5	Provide IT infrastructure to support cross-enterprise collaboration and project management as recommended in the One Voice Initiative.			

CITY COUNCIL "TOP 4" PRIORITY FOR 2004

Diversify San Jose's Economic Base and Preserve/Create Middle-Income Jobs

Strategic Initiative #8:

Initiative Champion: Ru Weerakoon, Jeff Ruster

Measures: Increase in sales tax from businesses receiving assistance from the City, funding made available to small businesses, % of Workforce Investment Act clients employed six months after initial placement, retention of existing land with "heavy" and "light" Industrial Plan designations. (from END CSA Outcome #1: Strong Economic Base); number of bioscience companies (new measure)

Implementation Actions

		Progress Milestones (As of Feb. 2004)	
I.		Lead/Team	
8.1	Complete the bio-tech incubator/innovation center on a fast-track. (source: 9/19/03 CM Info Memo.)	RDA/Mayor (Ru Weerakoon/Jennifer Malutta)	Started construction in January 2004. Plan to open in June of 2004, and achieve 85% occupancy by 18 months. Have engaged specialized marketing and public relations consultant services.
8.2	Contact national site search firms to provide most current information about San Jose advantages and relative costs. (source: 9/19/03 CM Info Memo)	OED/RDA (Chris Coggins/Ru Weerakoon)	Staff has begun contacting national industrial search firms to provide the most up-to-date information about space availability, rental rates, workforce availability and City initiatives.
II.		Lead/Team	Progress Milestones
Economic Projects			
Ongoing Jan - June '04			
8.3	Improve career ladders and increase training funds for health care occupations. (Cross-listed with Strategic Initiative #9)	SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	Partnering with Goodwill, Santa Clara County, and the State to increase training funds for Allied Health careers.
8.4	Develop career ladders up from entry-level jobs in the retail industry and support employer training needs. (Cross-listed with Strategic Initiative #9)	SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	Initiated a pilot for employer-driven training in retail, including development of career paths up from entry-level jobs.
8.5	Encourage retraining of software workers whose jobs are at-risk. (Cross-listed with Strategic Initiative #9)	SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	Applied for \$3 million federal Department of Labor grant to retrain incumbent IT workers--in partnership with large and small employers.
8.6	Develop career ladders up from entry-level jobs in the hospitality industry and support employer training needs. (Cross-listed with Strategic Initiative #9)	SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	Partnering with San Jose State, are convening hotels and restaurants to understand and support their hiring plans, training needs, and career path opportunities.
8.7	Increase understanding of short- and long-term training needs in bioscience. (Cross-listed with Strategic Initiative #9)	SVWIN/RDA (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims/Ru Weerakoon)	Partnering with North Valley WIN to conduct focus groups to understand bioscience training needs and hiring opportunities. Meeting with representatives of local university/academic institutions and the local business community to better understand training needs and specialized programs.
8.8	Provide to City Council a research-based framework for evaluating potential conversions of employment lands to other uses; identify employment sub areas that should be protected and sub areas appropriate for a mix of uses. (Note: inappropriate conversion of employment lands can threaten San Jose's base of middle-income jobs.) (Cross-listed with Strategy #11)	PBCE/OED, RDA, Housing (Laurel Prevetti/San Ketchum, Kim Waleesh, Nanci Klein, John Lang, Ru Weerakoon, Rachel VanderVeen)	Consultant report released February 5. Council consideration of Industrial Conversion Framework prepared by staff tentatively scheduled for March.

Prepare Residents to Participate in Region's Economic Opportunity, from K-12 to Lifelong Learning

Initiative Champion: Jeff Ruster

Measures: % of Workforce Investment Act clients employed six months after initial placement (from END CSA Outcome 1B: Strengthen Workforce); # of people trained, # of businesses served, # of job placements. (new measures)

Implementation Actions

I.		GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
9.1	Realign job-training to focus on growth industries and occupations, while retaining existing programs. (source: 9/16/03 Mayor Gonzales memo - Section I-2)		SVWIN (Jeff Ruster, Chris Donnelly, Ray MacDonald, B.J. Sims)	<p>Directed 50% of federal training dollars for training initiatives in five key industries/occupations: healthcare, software, hospitality, retail, and bioscience.</p> <p>Healthcare: Partnering with Goodwill, county and the State to increase training funds for Allied Health careers.</p> <p>Software: Applied for \$3 million federal Department of Labor grant to retrain incumbent IT workers--in partnership with large and small employers.</p> <p>Hospitality: Partnering with San Jose State, convening hotels and restaurants to understand and support their hiring plans, training needs, and career path opportunities.</p> <p>Retail: Initiated employer-driven training for retail, including development of career paths up from entry-level jobs.</p> <p>Bioscience: Partnering with North Valley WIN to conduct focus groups to understand bioscience training needs and hiring opportunities.</p> <p>Utilities: Partner with PG&E and Santa Clara Valley Water District to help develop lineman and apprenticeship program.</p>
II.		Economic Projects	Lead/Team	Progress Milestones
Ongoing Jan - June '04				
9.2	Continue providing job placement services at the San Jose One-Stop.		SVWIN (Jeff Ruster)	Ongoing service to 4,000 people each month.
9.3	Continue providing hiring and outplacement services to businesses.		SVWIN (Jeff Ruster)	Support over 100 businesses per year.
9.4	Launch "Silicon Valley South Bay Saves"--a financial literacy campaign to assist lower-income local residents in making information decisions about how to use, save, and invest their financial resources.		SVWIN (Jeff Ruster, Community and Business Partners)	Collaborative and business plan created. Planning for April launch of pilot.

Strategic Initiative #9 (cont.) Prepare Residents to Participate in Region's Economic Opportunity, from K-12 to Lifelong Learning			
Implementation Actions			
II.	Continued - Economic Projects	Lead/Team	Progress Milestones
Proposed Start in 04-05 (pending budget)			
9.5	Develop a strategy to encourage and support immigrant/ethnic businesses, including micro enterprises.	OED/SVWIN, RDA (Kim Walesh, Jeff Ruster, John Weis, David Nleh)	

Initiative Champions: Leslye Corsiglia, John Weis, Stephen Haase

Measures: % of units receiving development permit approval compared to target of 3,250/year (from END CSA Outcome 2: Diverse Range of Housing Opportunities); % of units approved that are high density (new measure).

Implementation Actions

	Develop Housing Department Underwriting Guidelines. (source: 9/19/03 CM Info Memo)	Suzuki, Leon Kimura)	Department to have development guidelines in place to provide consistency to the loan process for large development loans. The Department has developed guidelines and will distribute them to affordable housing developers for review at a Developer Roundtable meeting on February 17.
10.2	Review of burdensome insurance rates on small contractors. (source: 9/19/03 CM Info Memo)	Housing/Finance (Norberto Duenas/ Don Ludwig, James Stagi, Connie Aparicio-Yanez)	In collaboration with the City's Risk Management Office, Housing Department requirements for auto coverage for construction contractors participating in the City's rehabilitation programs was reduced from \$1,000,000 to \$300,000, allowing smaller contractors and painters to compete. In addition, insurance documentation requirements were streamlined through a "master list" process, thereby accelerating construction schedules for paint and rehabilitation work.
10.3	Present in Spring 2004 recommendations related to increased higher-density residential development Downtown and proceed with RFP schedule outlined in the 12/16/03 report. (source: 12/16/03)	Housing/RDA, PBCE, DOT (Leslye Corsiglia/John Weis, Pete Larko, Laurel Prevetti, Hans Larsen)	RFP issued
10.4	Amend Inclusionary Housing requirements. (source: 9/19/03 Del Borgsdorf memo - Just Do It #14)	RDA/Housing, Richard Keit, John Weis, Tom Murtha/Mike Meyer, Tom Cook, Leon Kimura	Complete. The Inclusionary Housing Policy—a State law requirement—was cited as being burdensome as interpreted by the City. In September 2003, the Council/Agency Board amended the inclusionary policy to ease the burden on new small developments. Specifically, projects with ten units or less are now exempted, while projects with twenty units or less can pay an "as of right" in-lieu fee. Furthermore, developments that currently require a fractional inclusionary unit, may pay an in lieu fee for the fractional portion rather than provide a full
Ongoing Jan - June '04			
10.5	Publicize sites identified for new housing throughout the City.	Housing/PBCE/RDA (Laurel Prevetti, Mike Meyer, John Weis)	Continuing to meet with brokers and developers. Considering media outreach.

Continue Emphasis on Developing New Housing, Including New Housing Types in a Variety of Neighborhood Settings

Implementation Actions			
II.	Continued - Economic Projects	Lead/Team	Progress Milestones
10.6	Leverage the City's housing program with other resources to continue to be a leader in the production of new affordable housing.	CMO/RDA, PRNS (Jim Holgersson/John Weis, Kip Harkness, Cynthia Bojorquez)	The Housing Department has successfully facilitated and competed for state housing bond funds including \$2.5 M in CalHOME Program funds, \$300,000 in Code Enforcement Incentive Program funds, and has applications pending or in process for Local Housing Trust Fund, BEGIN and Self Help Housing program funds totaling over \$3 M. In addition, the Department's proposed large project selection system will give priority to projects that seek tax credit and Multifamily Housing Program (MHP) funds.
10.7	Increase recognition of San Jose as the leading provider of housing in Silicon Valley, and the largest population center in the Bay Area.	Housing/CMO, RDA (Theresa Hayes/Leslye Corsiglia, Tom Manheim, Peggy Flynn)	The Housing Department has submitted applications to several national and regional advocacy and industry associations to promote the City's affordable housing programs and developments. In November, the City won the prestigious Helen Putnam award from the National League of Cities (NLC) for the Teacher Housing Program (THP). In July, the City won two Awards of Merit for Program Innovation and Project Design from the National Association of Housing and Redevelopment Officials (NAHRO) for the El Rancho Verde preservation project and The Haven, a home for families displaced by fire or disaster. In addition, in November the City received an Achievement Award from the National Association of Local Housing Finance Agencies (NALHFA) Mabuhay Senior Housing and Community Center, an innovative public-private partnership with the RDA, PRNS, Housing Department and Bridge Housing Corp.
10.8	Encourage the creation of studio condominium housing for young, entry-level engineers or other employer-assisted housing in partnership with employers.	Housing/RDA, PBCE (Leslye Corsiglia, John Weis, Stephen Haase)	Discussed with respondents to Downtown high-density RFP.
10.9	Participate in state-level efforts to reform Construction Defect Litigation rules in order to encourage development of condominiums in San Jose.	Housing/RDA (Melissa Whatley/John Weis, Roxanne Miller)	The City is evaluating the effectiveness of legislation adopted in 2002 to address this concern and will work with other housing industry and advocacy groups, including the Non-profit Housing Association, to identify opportunities for new legislative reforms.
10.10	Encourage the creation of housing/work spaces for artists (especially in Spartan-Keyes) and for lower-income entrepreneurs (including immigrants).	Housing/RDA (Mike Meyer/Kip Harkness, David Nieh)	The Housing Department has evaluated the financial feasibility of a new artist live/work building, consistent with the Martha Gardens specific plan adopted by the City Council in December 2003, and expects to receive an application for funding for the project in March 2004.
10.11	Encourage high-rise housing in the Downtown core and mid-rise housing near transit stations. Attract new developers to San Jose who are experienced in housing and mixed-use forms that are new to San Jose, such as high-rise.	Housing/RDA, PBCE, DOT (Leslye Corsiglia/John Weis, Pete Larko, Laurel Prevetti, Hans Larsen)	RFP issued.
	Encourage a wide variety of housing types in the Downtown core: rental and for-sale; mid-rise and high-rise; small studios, large flats, and townhouses.	RDA (John Weis)	RFP's issued for Brandenburg & Dimensions while DDA was signed for Church of Christ site. Brandenburg will be a mixture of low & mid rise, Church of Christ and Dimensions will be high rise.

Revise Key Land Use and Transportation Policies to Reflect the New Realities of the San Jose Economy

Initiative Champions: Laurel Prevetti, Hans Larsen

Measures: retention of existing land with "heavy" and "light" industrial General Plan designations, retention of other industrial land (from END CSA Outcome 1A: Attract Retain and Expand Business); number of dwelling units added to the General Plan holding capacity annually (from END CSA Outcome 1B: Increase Supply of Housing for All Income Levels).

Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
11.1	Modify existing zoning districts, or create new zoning districts that better align with the General Plan.	PBCE/OED (Laurel Prevetti, Paul Krutko)	To be started in late FY 03/04, given existing staff resources.
11.2	Update the North San Jose Area Development Policy to allow increased floor area ratios, more supportive commercial development along and near the First Street rail corridor and the airport, and the introduction of housing in strategic locations. (source: 9/16/03, Mayor Gonzales memo - Section I-7)	PBCE/OED, RDA, DOT (Laurel Prevetti/Andrew Crabtree, Ru Weerakoon, Nanci Klein, Hans Larson, Manuel Pineda)	Staff is currently scoping this effort in terms of cost, schedule, and policy issues.
11.3	Revise signage regulations in commercial and industrial areas to be more flexible on the size and location of signage. (source: 9/16/03 Mayor Gonzales memo - Section I-7)	PBCE (Joe Horwedel)	Complete. Approved by Council on December 16, 2003
II.	Economic Projects	Lead/Team	Progress Milestones
Ongoing Jan - June '04			
11.4	Provide to City Council a research-based framework for evaluating potential conversions of employment lands to other uses; identify employment sub areas that should be protected and sub areas appropriate for a mix of uses.	PBCE/OED, RDA, Housing (Laurel Prevetti/Stan Ketchum, Kim Walesh, Nanci Klein, John Lang, Ru Weerakoon, Rachel VanderVeen)	Consultant report released February 5. Council consideration of Industrial Conversion Framework prepared by staff tentatively scheduled for March 2.
11.5	Proactively initiate General Plan amendments and rezoning proposals for specific parcels suitable for housing (i.e., continue the Housing Opportunity Study). Increase residential densities around existing light rail stations to fully capture the potential of these lands for housing production.	PBCE/RDA, Housing, OED (Laurel Prevetti, Stan Ketchum)	Underway. Council to consider Housing Opportunity Studies III . amendments in FY 04/05.
11.6	Revise the Citywide Level-of-Service Transportation Policy to enable higher-density development and more walkable environments along transit corridors and in special mixed-use districts (i.e., Specific Planning Areas).	DOT/PBCE, RDA, OED (Hans Larsen/Ru Weerakoon, Laurel Prevetti)	Underway. Scope of proposed new policy was coordinated with Building Better Transportation Committee. Draft Policy and EIR is scheduled for public review in spring 2004.
11.7	Expedite completion of a master Environmental Impact Report to facilitate implementation of the Downtown Strategic Development Plan, which concentrates and clusters more employment, residential, and cultural resources Downtown.	RDA/PBCE (John Weis/Joe Horwedel)	EIR completed, needs to be certified.
11.8	Proactively initiate General Plan amendments and rezoning proposals for specific parcels suitable for retail-- aimed at serving underserved sub areas of San Jose and adjoining communities (i.e., a Retail Opportunity Study).	PBCE/OED, RDA (Laurel Prevetti/Nanci Klein, John Weis)	Sites are now being identified and amendments will be initiated in late FY 03/04.

Revise Key Land Use and Transportation Policies to Reflect the New Realities of the San Jose Economy

Implementation Actions

II.	Continued - Economic Projects	Lead/Team	Progress Milestones
Proposed Start 04-05 (pending budget)			
11.9	Modify General Plan land use designations and zoning districts to reflect the types of land uses and economic activities occurring in each of the active employment sub areas, and to improve flexibility to accommodate continuous restructuring.	PBCE/OED, RDA, Housing	
11.10	Develop a range of tools and policies to encourage the reuse and recycling of vacant buildings that have become functionally obsolete, including a program to allow flexible, nonresidential, interim uses in these vacant buildings in the immediate term.	PBCE	

Encourage Sporting Teams, Events and Facilities, Professional as well as Amateur

Initiative Champion: Paul Krutko

Measures: annual delegate spending, delegate hotel room nights (from: END CSA Outcome 1, Strong Economic Base), economic Impact of sports visitors (new measure).

Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
12.1	Strengthen our ability to keep and grow sports teams and events in San Jose. Beginning in December 2003, issue quarterly status reports on efforts. (source: 9/16/03 Mayor Gonzales memo - Section II-3)	CMO, OED, SJ Sports Authority (Del Borgsdorf, Paul Krutko, Joe Guerra, Council Member Cortese, Council Member LeZotte, Dean Munro)	Initial meeting was held of the expanded Sports Facility Task Force on 2/9. Overview of the San Jose metropolitan market in comparison with other major league cities was presented with related information on the current status of the four major professional sports. Task Force meetings are scheduled for March to review the current condition of facilities and venues in San Jose and in April to review possible scenarios for attracting MLB, NBA and NFL franchises and associated market analysis.
II.	Economic Projects	Lead/Team	Progress Milestones
12.2	Work with Sharks on expanding Logitech by adding a fourth rink and other improvements to the mezzanine.	OED/Finance, City Attorney, Public Works, Mayor's Office, City Council (Paul Krutko/Julia Cooper, Dave Persselin, Patty Deignan, Dave Clarke)	Expansion Agreement and Amended and Restated Lease is scheduled for presentation to City Council in March.
12.3	Craft a specific strategy for strengthening San Jose's ability to retain and grow professional sports teams and events in San Jose, working in partnership with private-sector and civic leaders. This should include the attraction of sports teams, events, and organizations, as well as the construction, expansion and modernization of sports venues.	CMO, OED, SJ Sports Authority (Del Borgsdorf, Paul Krutko/Joe Guerra, Council Member Cortese, Council Member LeZotte, Dean Munro)	See 12.1 above.
12.4	Assist in the redirection and reformation of the current Sports Authority Task Force to ensure aggressive, focused pursuit of "Big Four" professional sports, other professional sports, amateur sports, and NCAA events.	CMO/OED, SJ Sports Authority (Del Borgsdorf, Paul Krutko/Joe Guerra, Council Member Cortese, Council Member LeZotte, Dean Munro)	See 12.1 above.

Encourage Sporting Teams, Events and Facilities, Professional as well as Amateur

Implementation Actions

II.	Continued - Economic Projects	Lead/Team	Progress Milestones
12.5	Make the City Council liaisons, Mayor's representatives, and City Manager's representatives full members of the Sports Authority Task Force.	CMO/OED, SJ Sports Authority	Complete.
12.6	Explore partnership opportunities with SJSU for a multiuse sports venue on the South Campus that could serve students and residents, as well as meet needs of amateur and professional sports teams. (Bring bring to the City Council a report offering possible partnership opportunities with SJSU and our amateur sports teams on or before December 16, 2003. Provide status in 2004.) (source: 9/30/03, Mayor Gonzales memo)	CMO/OED, RDA, PRNS DOT (Jim Holgersson, Paul Krutko, Jim Ortbal, John Weis, Sara Hensley)	An interdepartmental team and meetings with SJSU have begun a process for exploring the opportunities of a major amateur sports facility. Both San Jose Student and PRNS programming are being considered. O&M, programming and capital funding will be based on existing funding and cost recovery to the extent possible.

Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Livability

Initiative Champion: Kelly Kline, Nanci Klein

Measures: reduction in San Jose's "under retail potential" measure from 20% to 15% in five years, share of residents who "believe they have a better neighborhood shopping environment than five years ago" (new measures).

Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
13.1	Maximize City sales tax from City and privately funded activity. (source: 9/19/93 CM Info Memo)	OED (Paul Krutko, Nanci Klein)	The Office of Economic Development is leading an effort to work with companies and contractors to capture the full potential of Sales Tax for San Jose. The Airport has been designated a flagship project.
II.	Economic Projects	Lead/Team	Progress Milestones
Ongoing Jan - June '04			
13.2	Create a coordinated "One Voice" approach to encourage retail Citywide (Downtown, NBDs and SNI areas, and the rest of the City), leveraging staff experience, resources, and information to maximize new retail activity in San Jose. <i>(This project is a One Voice project.)</i>	RDA/OED, PBCE (Kelly Kline, Nanci Klein, Jim Schutz, Anne Stedler, Yolanda Lee, Laurel Prevetti)	Kick-off meeting held February 5; goals, measures, and work plan identified.
13.3	Attract neighborhood-serving retail to Neighborhood Business Districts (NBDs) and Strong Neighborhood Initiative Areas (SNI), responding to neighborhood needs.	RDA (Kelly Kline/Anne Stedler, Jim Schutz, Edith Ramirez, Allison Novak, Christine Velasquez)	Data gathering initiated for targeted NBD/SNI areas.
13.4	Attract community-serving retail (larger-scale retail serving sub areas of the city and adjacent cities) to key sites across the City.	OED (Nanci Klein/Yolanda Lee)	Developed plan to identify initial opportunity sites that are ready for recruitment.
13.5	Continue implementing the Downtown Retail Strategy to attract new stores and restaurants Downtown.	RDA (Kelly Kline/Alison Novak, Edith Ramirez)	January-February 2004: new edition of retail e-letter distributed to over 600 recipients, three presentations at real estate brokerage firms and participation in Adobe Community Fair, one targeted mailing, tours scheduled with multiple potential tenants, cold calls for tenants to consider remaining RDA-owned space (4th Street Garage & Fairmont Annex) - several prospects.
13.6	Continue providing support to encourage expansion and retention of existing businesses.	RDA/OED (Richard Keit/ Kelly Kline/Nanci Klein)	Ongoing. Operate RLF/DESF loan programs, support business district strategies, conduct "Doing Good Business in Hard Times" workshops to expose small businesses to City/community services.
13.7	Develop collateral material to promote retail areas Citywide to brokers and potential retailers.	RDA/OED (Jennifer Chen, Kelly Kline/Nanci Klein, Peggy Flynn, Paul Asper)	Master template for marketing piece being developed.

Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Livability

Implementation Actions

II.	Continued - Economic Projects	Lead/Team	Progress Milestones
13.8	Proactively initiate General Plan amendments and rezoning proposals for specific parcels suitable for retail-- aimed at serving underserved sub areas of San Jose and adjoining communities (i.e., a Retail Opportunity Study).	CMO/RDA, PRNS (Jim Holgersson/John Weis, Kip Harkness, Cynthia	Sites are now being identified and amendments will be initiated in late FY 03/04.
13.9	Complete and release the "Underserved Neighborhood Retail Markets" Study and make this information available to retailers and developers.	OED/Nanci Klein	Report finalized in February. Will review with Development Cabinet in March and share with Council in March/April.
13.10	Update annually the City's GIS mapping system that identifies population demographics, employment location, and land/building characteristics and make it accessible to City staff and public- and private-decision makers.	PBCE/OED, RDA (John Lang/Michael Bills)	Base maps complete. Exploring creation of a user-friendly intranet site to improve access to shared data and eliminate duplication of effort..
13.11	Assist in the launch of new self-sustaining Business Associations.	OED, RDA (Paul Krutko, John Weis/ Joe Hedges)	Membership increasing in Almaden Business Association. Establishing new associations in District 9 and District 7.
13.12	Help transform interested Neighborhood Business Districts into Business Improvement Districts (BIDs) to encourage their long-term sustainability.	RDA (Richard Keit)	Initial meeting held in January with 5 Neighborhood Business District Associations with Consultant. Staff will follow up on Association interest next month.

Communicate Compelling, Consistent Community Identity for San Jose

Initiative Champions: Peggy Flynn, Theresa Hayes, Tom Manheim

Measures: Increased recognition--among opinions shapers and business leaders nationally and internationally--of San Jose as the Capital of Silicon Valley, the largest city in the San Francisco Bay Area, and a "top-ten" City in America (new measure, survey required).

Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
14.1	Initiate an aggressive outreach and advocacy campaign that complements the Mayor's efforts and focuses on attracting Driving Industry activity. Tell San Jose's story effectively to strategically important audiences with creative approaches. (source: 9/16/03)	CMO, RDA, OED(Tom Manheim, Peggy Flynn, Theresa Hayes, Paul Krutko, Kim Walesh)	Since the City's current economic situation prevents an aggressive promotional campaign typically associated with this sort of effort, a more focused strategic approach has been adopted. (see Tactics 14.3-14.10 below)
II.	Economic Projects	Lead/Team	Progress Milestones
14.2	Explore development of a public-private marketing partnership to raise San Jose's identity nationally and internationally, and leverage shared interest in supporting a robust identify-building campaign for San Jose.	CMO, RDA, OED(Tom Manheim, Peggy Flynn, Theresa Hayes, Paul Krutko, Kim Walesh)	Starting in March.
14.3	Clarify target audiences, the core message for each, and the primary vehicles for reaching them.	CMO, RDA, OED(Tom Manheim, Peggy Flynn, Theresa Hayes, Paul Krutko, Kim Walesh)	A key audience is East Coast opinion shapers in business, finance, media, and politics. A secondary audience is opinion-shapers in other innovation centers globally, including Asia and Europe.
14.4	Arm representatives of local companies and institutions (potential "ambassadors") with key messages and materials so they can effectively tell the San Jose story internally and as they travel outside the region.	CMO, RDA, OED(Tom Manheim, Peggy Flynn, Theresa Hayes, Paul Krutko, Kim Walesh)	Starting in March.
14.5	Contact key regional, national, and international media outlets that regularly display West Coast maps in news and weather-related stories and encourage them to display San Jose as the marker for the region.	CMO, RDA, OED(Tom Manheim, Peggy Flynn, Theresa Hayes, Paul Krutko, Kim Walesh)	Starting in March.
14.6	Explore ways to create a quantitative baseline of national and international perceptions and recognition of San Jose.	CMO, RDA, OED(Tom Manheim, Peggy Flynn, Theresa Hayes, Paul Krutko, Kim Walesh)	Starting in March.
14.7	Identify ways to reach Convention attendees with San Jose's key messages.	RDA/OED, CVB, CAE, Downtown Assoc. (Peggy Flynn, Theresa Hayes, Dan Fenton, Kim Walesh, Jim McBride)	Starting in March.

Communicate Compelling, Consistent Community Identity for San Jose

Implementation Actions

II.	Continued - Economic Projects	Lead/Team	Progress Milestones
14.8	Produce a short video piece about San Jose that can be used to brief visitors, educate locals, and augment the city's marketing materials (for leave behind, mail out, or download).	CMO/RDA, PRNS (Jim Holgersson/John Weis, Kip Harkness, Cynthia Bojorquez)	Project initiated; planned completion in Spring.
14.9	Use the 2006 Art and Technology Festival to raise San Jose's visibility nationally and internationally, and position San Jose as a leading creative community--not just a technology center.	OED/CMO, RDA (Kim Walesh/Tom Manheim, Peggy Flynn, Theresa Hayes)	In December 2003, San Jose won the international competition to host the International Symposium of Electronic Arts in August of 2006. This will serve as springboard to launch a bi-annual Art and Technology Festival of international caliber.

Engage Private-Sector Leadership for San Jose's Economic Strategy

Initiative Champion: Jennifer Malutta

Measures: number of key companies where City has executive-level relationships, success rate of interventions to address company problems or opportunities (new measures).

Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
15.1	Establish an advisory group of leaders from Driving Industries. (source: 9/16/03)	Mayor/OED (Jennifer Malutta/Paul Krutko, Kim Walesh, Nanci Klein)	Complete. Mayor's Economic Leadership Team convened in October of 2003.
15.2	Move swiftly with effective legislative advocacy regarding economic policy initiatives at the state and federal level. (source: 9/16/03)	CMO/OED (Mark Linder, Betsy Shotwell/Paul Krutko, Kim Walesh)	Have identified advocacy priorities of local business community, and compared them with current and potential City government priorities.
II.	Economic Projects	Lead/Team	Progress Milestones
15.3	Launch the Business Appreciation Initiative to ensure that the City has senior-level relationships with key companies to make companies feel welcome, connected, and appreciated and encourage retention and expansion. (<i>This project is a "One Voice" project.</i>) (see also Cross-listed with Strategic Initiative #5.)	OED/Mayor, RDA, PBCE, Airport, Public Works, Transportation, Housing (Kim Walesh, Sharon Landers/Jennifer Malutta, Paul Krutko, Nanci Klein, Chris Coggins, Harry Mavrogenes, John Weis, Ru Weerakoon, Jim Schutz, Ruth Shikada, Ralph Tonseth, Katy Allen, Timm Borden, Jim Helmer, Leslye Corsiglia)	Developed Business Plan. Completed research to identify the "key account" companies.
15.4	Engage business leaders and economic development partners on the findings and recommendations of San Jose's economic strategy.	OED (Paul Krutko, Kim Walesh)	Shared San Jose's Economic Development Strategy through presentations at meetings of regional leaders (Joint Venture: Silicon Valley), real estate professionals (CREW), mortgage brokers, and bankers. More than 1,000 copies of the Strategy downloaded from the website.
15.5	Engage venture capital community to promote San Jose's advantages as a location for start-ups. (see also Cross-listed with Strategic Initiative #5).	Mayor/OED, RDA (Kim Walesh, Jennifer Malutta/Ru Weerakoon, Nanci Klein, Allison Novak, Sharon Landers, Jim Schutz, Ruth Shikada)	Mayor visit to Sand Hill Road is scheduled for March 30, hosted by Silicon Valley Bank. The approach is to increase San Jose's cachet with the venture-capital community and entrepreneurs as an attractive home for companies in the start-up (1 to 10 employees) and the "grow-up" (10 to 100) phases of development. Develop and promote a set of attributes attractive to these firms, especially in the Downtown.

OTHER GFB2W DIRECTIVES

Implementation Actions

I.	GFB2W Directives	Lead/Team	Progress Milestones (As of Feb. 2004)
A.	Report in 90 days with recommendations to revise the City Employee Suggestion Award Program. (source: 9/16/03 Mayor Gonzales memo - Section I-11)	CMO/QUEST/OER	The consensus recommendation of the Suggestion Award Commission, the City Labor Alliance and the City Manager's Office is to: 1) Retain responsibility for the Employee Suggestion Program under the City Manager and; 2) Direct the Administration to proceed immediately, in collaboration with the Suggestion Award Commission and the City Labor Alliance, to implement a three-phase workplan to streamline the current ESP and increase opportunities to focus the creativity of City employees toward achieving economic development goals and increasing revenues to the City.
B.	Provide during mid-year budget review the actual financial ramifications and implications of the items approved that directly affect revenue along with a variance report comparing actual cost of each item to the forecast provided at the time of the approval. Include cost over the next five years (of initiatives). (source: 9/30/03)	CMO/Budget	Complete. Delivered in conjunction with this report.
C.	Create Performance Measures for GFB2W directives, and use them in evaluations of the City Manager, Redevelopment Agency Director, and City Attorney. (source: 9/30/03)	CMO/END CSA	Original direction was to the City Auditor, however City Auditor informed Council 12-16-03 that his office was precluded from doing this by generally accepted government auditing standards. The Auditor provided possible tools and methodologies to the City Manager. The City Manager's Office is working with the Mayor's Office to finalize performance measures for this purpose, although some suggested measures are included in this document related to Economic Development Strategy initiatives.
D.	Annual accounting to monitor success, with scope to be developed through exclusive discussions with Council. (source: 9/30/03)	Auditor	Council accepted the Auditor's memorandum providing possible tools and methodologies, and directed the Mayor and City Manager to integrate the performance measures into proposed Council Appointee evaluations.
E.	Include sample/prototype of Council Appointee evaluation documents in February 2004. (source: 12/16/03)	CMO	Samples are part of the work product from Item C, to be produced once performance measures are determined.

BUDGET IMPLICATIONS OF GETTING FAMILIES BACK TO WORK DIRECTIVES

GFB2W Directives		Original Cost Estimates	Revised Cost Estimates	5-Year Cost Estimates
Strategic Initiative #1: Build a World-Class Airport Facility and Air Services				
1.1	Reduce commercial aircraft landing fees at the Norman Y. Mineta San Jose International Airport.	Reduced costs to airlines estimated at \$1.0 million based on actual operating costs of Airport.	Reduced costs to airlines estimated at \$1.5 million based on actual operating costs of Airport.	Landing fees are adjusted based on actual costs at the Airport. These fees are subject to change each year.
Strategic Initiative #3: Develop Strategic Partnerships with San Jose State and other Universities to Drive Innovation and Economic Impact				
3.2	Explore partnership opportunities with SJSU for a multiuse sports venue on the South Campus that could serve students and residents, as well as meet needs of amateur and professional sports teams.	Existing resources will be used to examine opportunities. If these discussions resulted in a facility proposal, the cost implications would have to be evaluated at that time.	Existing resources will be used to examine opportunities. If these discussions resulted in a facility proposal, the cost implications would have to be evaluated at that time.	Not Available - Project would have to be defined to develop 5-Year Forecast
Strategic Initiative #5: Support Start-Up and Growth of Local Businesses, Small and Large, in Tech as Well as Non-Tech Fields				
5.2	Liberalize underwriting criteria for the Revolving Loan Fund (RLF) and Development Enhancement Special Funds (DESF) to make more loans available.	No cost to General Fund. Reduced interest rate on loans will decrease interest income to CDBG and EDA accounts. Amount will be partially offset by increased volume lent.	Possible reduction of \$4,000 interest income in the first year due to modification of program mid-year.	Long-term forecast dependent on future interest rates and loan volume. Program will increase interest rates as economy improves, producing increased interest revenue.
5.3	Explore creation of a local preference policy to support local businesses.	Cost increase will be minimal but could be balanced against the benefit to small businesses.	Minimal administrative cost increases that can be accommodated by existing resources, based on expected levels of monitoring and reporting.	Minimal impact of five-year forecast unless significantly more reporting and monitoring is required, or if policy produces such a significant local advantage that higher cost bids often win.
5.4	Implement tax relief to encourage investment in San Jose. Modify Industrial Land Use/Building & Structures Tax.	\$500,000 reduction in Construction Excise Tax collections over 18-month period	Alternative proposal: \$310,000 annual impact of amending the Building and Structures Construction Tax Ordinance to redefine industrial designation. Collection of the tax would be suspended for specific industry clusters, such as software development and bioscience research.	\$310,000 annual impact for the approved duration of the amendment. This annual impact could grow if building valuations increase over time.

BUDGET IMPLICATIONS OF GETTING FAMILIES BACK TO WORK DIRECTIVES

GFB2W Directives		Original Cost Estimates	Revised Cost Estimates	5-Year Cost Estimates
5.9	Encourage tax relief for small businesses (less than 3,000 sq. ft.) with both an emphasis on the Downtown and NBDs.	The original proposal would have resulted in an estimated loss in fee revenue of \$1.475 million over an 18-month period.	The revised proposal approved on 12/16/03 suspended 50% of the Construction Excise Tax for 18 months for new companies of 3,000 square ft. or less or existing small businesses expanding to no more than 3,000 sq. ft. The decrease in revenue is estimated at \$456,000.	\$456,000 over an 18-month period.
Strategic Initiative #6: Improve Speed, Consistency, and Predictability of the Development Review Process, and Reduce Costs of Operating in San Jose				
6.2	Extend the Special Tenant Improvement fee exemption for another 18 months, from November of 2003 through April 2005. Expand the Special Tenant Improvement Program to office uses Downtown. Provide a list of "Driving Industries."	\$275,000 over 18-month period	\$275,000 over 18-month period	\$275,000 over 18-month period
6.3	Expand Project Manager lead/team service delivery format to include Building Permit processing.	No City costs identified	With the additional resources approved at mid-year (4 positions-\$160,000), the project manager model will be expanded to downtown small businesses. Expanding this model citywide would require additional resources and a fee adjustment.	Staff will review the resources and costs necessary to expand this model to all customers citywide and discuss with the development community. Higher service levels can now be purchased at a premium fee.
6.4	Create a "One Start" Development Center where anyone needing to do business with the City can find assistance at a single customer service function.	Start-up costs estimated at less than \$50,000	Total start-up cost: \$33,840 Construction: \$20,950 Wiring, furniture & technology: \$12,890 It is possible that costs will be added as part of the One Voice pilot project related to the One Start Center. Any such additions would be proposed to Council within the context of the One Voice work.	The new Civic Center customer service center is being developed based on the consolidated service delivery model. Any additional costs associated with this would require Council approval.

BUDGET IMPLICATIONS OF GETTING FAMILIES BACK TO WORK DIRECTIVES

GFB2W Directives		Original Cost Estimates	Revised Cost Estimates	5-Year Cost Estimates
6.5	Eliminate delays in the development review process. Refund permit fees when City staff review exceeds cumulative review cycle targets.	Staff to study current cycle times to determine the reasons for delays and vulnerability to refunds.	<p>No impact when refunding fees for expedited services that were not delivered.</p> <p>For projects on the standard service track, any refunds would reduce fee revenues or create new costs. The amount of reduced fees are approximately \$170,000 per 1% of projects requiring refunds. Because one fee payer cannot subsidize another, the General Fund may be liable for the refunds for services that did not meet the cycle time target.</p>	<p>There is no cost impact when refunding fees for expedited services that were not delivered.</p> <p>It is anticipated that the refund rate for projects that don't pay for expedited services will be reduced each year through implementation of project management, customized timelines for more complex projects, and refund qualification exclusions for delays imposed by customer request. While refunds may impact the General Fund because one fee payer cannot subsidize another, every effort will be made to meet customer expectations and avoid refunds.</p>
6.6	Integrate the permitting process of the RDA into the Planning Department.	No City Costs Identified	Permitting services provided at a cost recovery level. 240 hours of staff time (\$15,500) will be required to enter project data into the permitting system. Document prep and imaging of SJRA files will require approximately 1,500 additional hours (\$81,000). These tasks will be completed if they can be funded through the Agency.	Permitting services will continue to be provided at a cost recovery level. Once the one-time record conversion costs are funded, there will be no ongoing long term cost impact.
6.9	Examine ways to eliminate or consolidate steps to streamline the Development Process. Move decisions to the lowest practical level in the City.	No City costs identified	No net costs to the General Fund if the 3rd phase of the Planning Fee increases is approved. Without fee increases, resource reductions will prohibit assignment of staff to process streamlining tasks.	Staffing for this effort is dependent upon full cost recovery for the Planning Fee Program.
6.10	Create design guidelines for the Downtown Core focused on the main design issues that set clear expectations for building density to improve predictability for developers and increase processing speeds.	No direct costs to City	Publication and duplication of the guidelines in hard copy form is estimated to cost \$10,000, part of which could be recovered through sales of the document. If these costs cannot be covered, the information would be made available through website posting only.	Any ongoing costs for reprinting hard copies of the document would be recovered through sales.

BUDGET IMPLICATIONS OF GETTING FAMILIES BACK TO WORK DIRECTIVES

GFB2W Directives		Original Cost Estimates	Revised Cost Estimates	5-Year Cost Estimates
6.11	Speak with "One Voice" by focusing City service areas, City departments, and the Redevelopment Agency into clusters of resources and workgroups with common purposes.	Cost implications would likely be minimal, depending on how changes are structured	Cost criteria: favor changes that will produce readily achievable cost savings. Additional one-time costs may be incurred, but will only be recommended if they position the organization to respond better to economic development and/or neighborhood services.	More detailed information to be provided as part of the 2004-2005 Proposed Budget
Strategic Initiative #7: Make San Jose a Tech-Savvy City; Lead the Way in Using Technology to Improve Daily Life				
7.2	Issue an RFP for wireless service providers to locate their equipment anywhere on City property or equipment.	No additional City costs-use existing resources	No additional City costs-use existing resources	Existing resources should be sufficient. Needs will be re-evaluated upon completion of the wireless strategic plan to ensure that new resources are not necessary.
Strategic Initiative #8: Diversify San Jose's Economic Base and Preserve/Create Middle-Income Jobs				
8.2	Complete the bio-tech incubator/innovation center on a fast-track.	Total project investment of \$6.5 million, including funding to construct the facility (\$5.5 million), to provide a 3-year operating subsidy (\$0.5 million), and to cover soft costs such as design services and a business plan (\$0.5 million).	Total project investment of \$6.5 million, including funding to construct the facility (\$5.5 million), to provide a 3-year operating subsidy (\$0.5 million), and to cover soft costs such as design services and a business plan (\$0.5 million).	Total cost of \$8.5 million. Construction funds are allocated in the Agency's Capital Budget beginning this fiscal year, with reimbursements to the developer of \$1.5 million per year for five years (covering construction and interest costs). The costs for the 3 year operating subsidy and soft costs are as described under Revised Cost Estimates.
Strategic Initiative #11: Revise Key Land Use and Transportation Policies to Reflect the New Realities of the San José Economy				
11.1	Modify existing zoning districts, or create new zoning districts that better align with the General Plan.	No additional City costs-use existing resources	No net costs to the General Fund if the 3rd phase of the Planning Fee increases are approved.	Staffing for this effort is dependent upon full cost recovery for the Planning Fee Program.
11.2	Update the North San Jose Area Development Policy to allow increased floor area ratios, more supportive commercial development along and near the First Street rail corridor and the airport, and the introduction of housing in strategic locations.	Estimated cost of \$400,000 for an Environmental Impact Report and traffic studies, which could be recovered by future development	Estimated cost of \$1.05 million, including consulting and staff time. The Redevelopment Agency will propose to provide the first \$200,000 of these costs, and property owners in North San Jose would provide the remainder of the funding.	One-time costs described under Revised Cost Estimates. In the event that private funding does not fully cover costs, Redevelopment funds will be allocated in order to keep the project on schedule.

BUDGET IMPLICATIONS OF GETTING FAMILIES BACK TO WORK DIRECTIVES

GFB2W Directives		Original Cost Estimates	Revised Cost Estimates	5-Year Cost Estimates
<i>Strategic Initiative #12: Encourage Sporting Teams, Events and Facilities, Professional as well as Amateur</i>				
12.1	Strengthen our ability to keep and grow sports teams and events in San Jose. Beginning in December 2003, issue quarterly status reports on efforts.	Further analysis of potential costs will be completed as part of the ED Strategy. These tasks may be best accomplished by a single staff member working with the Sports Authority and City departments. Specific projects may require resources.	Estimated cost of less than \$100,000 for consulting to evaluate opportunities and facilities in support of the Sports Facilities Task Force.	To be determined by work program established by the Sports Facilities Task Force.
<i>Strategic Initiative #13: Develop Retail to Full Potential, Maximizing Revenue Impact and Neighborhood Livability</i>				
13.1	Maximize City sales tax from City and privately funded activity.	Pilot project with Airport and New Civic Center to maximize sales tax dollars going the City. Projections on anticipated increase in Sales Tax revenues not yet determined.	Projections on anticipated increase in Sales Tax revenues not yet determined. Additional information on the performance of the pilot program necessary before reflecting the increase in the Sales Tax revenue estimate.	Additional information on the performance of the pilot program necessary before reflecting the increase in the Sales Tax revenue estimate.